

WHISTLE BLOWER POLICY & VIGIL MECHANISM

1. Preface

Swelect Energy Systems Limited ("Company") believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour to prevent corruption, misuse of the Company's property / powers, suspected actual frauds, acts resulting in financial loss / operational risk, loss of reputation, etc.

Towards this end, and pursuant to Section 177 (9) of the Companies Act, 2013, the Board of Directors of the Company adopted this Whistle Blower Policy and Vigil Mechanism on 20th October, 2014 ("Policy"). This Policy, as modified from time to time, is primarily to encourage and provide an avenue to the Associates (*as defined hereunder*), Directors (*as defined hereunder*) and Employees (*as defined hereunder*) to raise any issue relating to violation of ethical and/or regulatory norms, rules and regulations, etc. by notice to the Company or the Chairman of the Audit Committee of the Company without any fear of retaliation, discrimination or harassment. Any such actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

This Policy, as modified from time to time, shall govern the actions of the Company, its Associates (*as defined hereunder*) Directors (*as defined hereunder*) and its Employees (*as defined hereunder*).

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. "Associates" shall mean the vendors, suppliers and others with whom the Company has any financial or commercial dealings.
- b. "Audit Committee" shall mean the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- c. "Employee(s)" shall mean every employee of the Company, whether confirmed or on probation, whether working in India or abroad, including the Directors in the employment of the Company.
- d. "Director" shall mean the members of the Board of the Company.
- e. "Investigators" shall mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.
- f. "Protected Disclosure" shall mean any written communication, made in good faith, which discloses or demonstrates information that may Prima-facie indicate any unethical or improper activity, including but not limited to, any violation within the Company of any ethical and/or regulatory norms, rules and regulations.

A communication shall be deemed to be made in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the Whistle-Blower (*as defined hereunder*) does not have personal knowledge on a factual basis for the communication or where the Whistle-Blower (*as defined hereunder*) knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- g. "Subject(s)" shall mean a person or a group of persons, as applicable, against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. "Whistle-Blower" shall mean a Director, Employee or Associates, as applicable, making a Protected Disclosure under this Policy.

3. Scope

- a. The role of the Whistle-Blower is that of a reporting party with reliable information. They are not required or expected to act as Investigators or finders of facts, nor are they eligible to determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. The Whistle-Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.
- c. Any Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.
- d. The Whistle-Blower shall submit within 30 (thirty) days of or before the occurrence of the concern/event. An additional 30days may be allowed to the whistle blower at the discretion of the Chairman of the Audit Committee.
- e. This Policy is not, however, intended to question financial or business decisions taken by the Company in good faith which decision cannot be attributable to any unethical or improper activity, nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances, nor does it release the Whistle-Blower from their duty of confidentiality towards the Company.
- f. A Protected Disclosure is not intended to replace an Employee's duty to keep his/her supervisors and managers properly informed on a day to day basis of matters which should be of concern to him/her or are relevant to the performance of his/her job. It is intended to be used where an Employee has serious and justified doubts about the willingness or ability of that supervisor or manager to act appropriately upon such information.

4. Eligibility

All Directors, Employees and Associates are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other company which is a group Company or subsidiary of the Company.

5. Making a Protected Disclosure

- a. Protected Disclosures should be made in writing (typed or hand written) so as to ensure a clear and unambiguous understanding of the concerns and issues raised. The language used to make the Protected Disclosure shall either be English, Hindi or the regional language of the place of employment of the Whistle-Blower.
- b. A Protected Disclosure should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for a proper assessment of the nature and extent of the concerns, such as:
 - i. The employee, and/or outside party or parties involved;
 - ii. When did it happen: a date or a period of time;
 - iii. Type of concern (what happened);
 - iv. Submit proof or identify where proof can be found, if possible;
 - v. Who to contact for more information, if possible; and/or
 - vi. Prior efforts to address the problem, if any.
- c. Anonymous disclosures may prove difficult to substantiate and will be harder to follow up, therefore will not be entertained. However, on the request of the Whistle-Blower, appropriate care will be taken to keep the identity of the Whistle-Blower confidential.
- d. The Protected Disclosures should be addressed to:

Mr. V.M. Sivasubramaniam
Chairman – Audit Committee
C/o Company Secretary – Swelect Energy Systems Limited
Numeric House, No.5, Sir P.S. Sivasamy Salai
Mylapore, Chennai – 600 004
Email: sivasubra@yahoo.com
Contact No: (0) 9444459533

- e. If a Protected Disclosure is received by any executive of the Company, other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.

6. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated under the supervision of the Chairman of the Audit Committee to ensure prompt and appropriate investigation and resolution.
- b. If any member of the Audit Committee has a conflict of interest in any given case, then he/she shall recuse himself/herself and the other members of the Audit Committee shall jointly deal with the matter on hand.
- c. All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Chairman of the Audit Committee or the Audit Committee may at his/ its discretion, seek appropriate internal and external advice and assistance in investigating the facts set out in the Protected Disclosure.
- d. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an admission or acceptance of the accusation and is to be treated as a neutral fact-